



County of Los Angeles CHIEF EXECUTIVE OFFICE

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June 6, 2012

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
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Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

SACRAMENTO UPDATE

This memorandum contains a pursuit of a County position on a State Budget item related to the AB 12 Program which expands foster care benefits to youth up to 21 years of age; a pursuit of a County position on legislation regarding workforce training for health care practitioners; a change in a County position on legislation regarding inverse condemnation actions; and an update on County-advocacy legislation related to hydraulic fracturing.

Pursuit of County Position on State Budget Item

The Governor's May Revision provides a \$53.9 million statewide increase in realignment funding for the Foster Care and Child Welfare Services allocation for FY 2012-13 through FY 2014-15, to reflect the implementation of County-support-in-concept AB 12 (Chapter 559, Statutes of 2010), which expanded foster care benefits eligibility up to age 21. These funds will be phased in over a three-year period beginning with \$18.5 million statewide in FY 2012-13.

The Department of Children and Family Services (DCFS) estimates its share of the AB 12 realignment funding for FY 2012-13 is \$6.1 million. However, DCFS estimates that amount will not be sufficient to cover the estimated State share of AB 12 Program costs, which are projected to be \$18.5 million, resulting in a funding shortfall.

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Furthermore, the Administration recently released budget trailer bill language relating to the realignment of AB 12. The proposed language would, among other provisions, remove the need for the Legislature to make an appropriation in the FY 2013-14 State Budget for providing extended foster care to youth turning 20 years old starting January 1, 2014.

Additionally, the trailer bill would remove the cap on the county share of costs under the AB 12 Program. Pursuant to existing law, county costs of AB 12 are capped at each county's savings associated with the enrollment of children into the Federal Kinship Guardianship Assistance Payment (Kin-GAP) Program. The Kin-GAP Program provides cash assistance and other services, such as medical coverage and independent living services, for eligible foster children, and provides an option for permanent placement with a relative if all eligibility requirements are met. Under current law, the cap is the county's total contribution for the expansion of foster care benefits up to age 21 and shall not exceed the savings in Kin-GAP costs achieved from the drawdown of Federal funds for this program. AB 12 requires the State to work with the County Welfare Directors Association to determine each County's costs and savings. The intent of the cap is to protect counties from future increased costs under the program. DCFS is very concerned with the proposed provision under the AB 12 trailer bill to remove the cap on the county share of costs and concerned whether future budgets will include full appropriation for the costs of the extended foster care up to age 21 under AB 12.

The Department of Children and Family Services and this office recommend supporting adequate State funding for AB 12 under realignment, and recommend opposing the removal of the cap on the county share of costs proposed under the AB 12 budget trailer bill. Therefore, consistent with existing Board policy to support funding to facilitate successful emancipation, promote self-sufficiency and improve opportunities for youth aging out of foster care, **the Sacramento advocates will support adequate funding for AB 12 under realignment and oppose any proposals to remove the cap on the county share of costs under the AB 12 Program.**

Pursuit of County Position on Legislation

SB 635 (Hernández), which as amended May 31, 2011, would require funds deposited into the Managed Care Administrative Fines and Penalties Fund in excess of \$1.0 million, plus interest, to be transferred each year to the Office of Statewide Health Planning and Development for the purpose of the Song-Brown Health Care Workforce Training Act of 1973.

The Song-Brown Health Care Workforce Training Act of 1973 provides financial support to family practice residency programs, nurse practitioners and physician assistant programs, and registered nurse education programs to increase the number of students and residents receiving education and training in family practice and nursing. The Act also encourages universities and primary care physicians to provide health care in medically underserved areas.

According to the Department of Health Services (DHS), SB 635 would provide additional funding for health education and workforce training programs and increase the number of medical professionals who work in underserved communities. DHS also notes that Los Angeles County is the second largest provider of healthcare in the nation and serves over 800,000 patients annually, of which 37 percent live below 200 percent of the Federal Poverty Level. Access to well-trained health care professionals is critical to meeting the health needs of the County's most vulnerable residents.

The Department of Health Services and this office support SB 635. Therefore, consistent with Board policy to: 1) support enhanced funding for nursing education and training slots at public universities and teaching hospitals; 2) expand workforce development funding and training programs for nursing and other allied health professions; and 3) recruit and retain nurses, physicians, and allied health professionals to work for providers who serve primarily poor or medically uninsured patients who rely on the medical safety net system for health care in medically underserved areas, **the Sacramento advocates will support SB 635.**

SB 635 is supported by California Academy of Family Physicians, the California Academy of Physicians Assistants, and the California Hospital Association. There is no registered opposition on file.

SB 635 is set for a hearing in the Assembly Health Committee on June 12, 2012.

Change in County Position on Legislation

County-support-and-amend AB 328 (Smyth), which as amended on January 24, 2012, would apply the Doctrine of Comparative Fault to inverse condemnation actions and require a court to reduce the damages to be paid by a public agency to a plaintiff in an inverse condemnation proceeding in direct proportion to the percentage of fault of the respective parties.

The sponsor of the bill, the Los Angeles City Attorney's Office, recently provided the Department of Public Works (DPW) with clarification that the January 24, 2012 amendments address a constitutional issue identified with the original version of the bill. County Counsel indicates that it has researched this matter and agrees with the

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Los Angeles City Attorney's Office. According to DPW and County Counsel, the amendments have somewhat weakened the language relative to Code of Civil Procedure Section 998 (CCP 998). However, the amendments are consistent with appellate decisions interpreting CCP 998 in the context of inverse condemnation actions and probably increase the likelihood that the bill, if enacted, would withstand appellate judicial scrutiny.

For this reason, DPW and County Counsel recommend that the County continue to support the objectives of the bill which would apply the Doctrine of Comparative Fault to inverse condemnation actions. Therefore, **the Sacramento advocates will continue to support AB 328 and no longer request that it be amended to its previous version.**

AB 328 is awaiting a hearing in the Senate Judiciary Committee.

Status of County-Advocacy Legislation

County-supported AB 591 (Wieckowski), which was amended on May 9, 2012, would require a person carrying out hydraulic fracturing on behalf of an owner or operator at a well to provide the owner or operator a list of the chemical constituents used in the hydraulic fracturing fluid and information on the amount of water and hydraulic fracturing fluid recovered from the well. This information would be added to the history of the drilling of the well, in addition to other information, which would be submitted to the Division of Oil, Geothermal and Gas Resources of the Department of Conservation for publication on its website's maps to make this information available to the public.

Governor Brown recently announced that the Administration will be developing regulations for hydraulic fracturing that would ensure the integrity of oil wells and establish reporting requirements if chemicals are used in the process. This office is working with affected departments to analyze the amendments to AB 591.

This measure, which had been held on the Senate Appropriations Committee suspense file since August 25, 2011, is expected to be scheduled for a hearing in that committee in the coming weeks.

We will continue to keep you advised.

WTF:RA
MR:VE:IGEA:sb

c: All Department Heads
Legislative Strategist